

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 803

Introduced by Assembly Member Duvall

February 26, 2009

An act to amend Section 22830 of the Government Code, relating to the Public Employees' Health Care Act. An act to add Section 22840.5 to the Government Code, relating to state employee health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 803, as amended, Duvall. ~~The Public Employees' Health Care Act.~~ *Health care coverage: state employees and legislative employees: cash payments.*

The Public Employees' Health Care Act allows an employee or annuitant, *as defined*, under eligibility rules as prescribed by State Personnel Board regulations, to enroll in an approved health benefit plan approved or maintained by the board either as an individual or for self and family.

This bill, operative July 1, 2010, would require the state, if it provides an employee of the state or an employee of the Legislature with the option to elect coverage in a health benefit plan, to also provide that employee with the option of receiving a cash payment in lieu of that coverage. The bill would require the amount of the cash payment that may be provided to an employee to be calculated by multiplying the average dollar value of the health benefit premium that the employee could have received had he or she elected coverage in a health benefit plan by 67%.

~~This bill would make a technical, nonsubstantive change to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares the following:*

2 *(a) Obtaining and maintaining quality health care coverage is*
3 *of great importance to all Californians.*

4 *(b) One type of health care coverage does not fit all, and the*
5 *diverse population of Californians, including those working for*
6 *the state or for the Legislature, should have the freedom to choose*
7 *the coverage that works best for them, whether it is secured through*
8 *the state or the private market.*

9 *(c) While in the past, Americans tended to hold their jobs for*
10 *decades, changing jobs and employers infrequently throughout*
11 *the course of their careers, contemporary times have seen a great*
12 *increase in the transient nature of employment, with many people*
13 *holding 10 or more different jobs throughout their careers.*

14 *(d) Many employers offer health care coverage, but*
15 *unfortunately that benefit is tied to the workplace, so if employees*
16 *get another job, they lose that coverage.*

17 *(e) If an employee develops a serious health condition during*
18 *a given period of employment, upon leaving that job, that employee*
19 *may be in the unfortunate position of being unable to secure*
20 *coverage on the private market.*

21 *(f) Because of the danger of being left without health care*
22 *coverage, Californians may stay in jobs for the sole purpose of*
23 *retaining health insurance coverage.*

24 *(g) The Legislature supports the free will and mobility of*
25 *California's workforce and encourages them to pursue satisfying*
26 *jobs that fulfill their potential, without concern for their ability to*
27 *obtain and maintain health care coverage.*

28 *(h) It is, therefore, the intent of the Legislature to ensure that*
29 *state employees and legislative employees are provided the option*
30 *of receiving cash in lieu of receiving health care coverage from*
31 *the state and to require that the cash that those employees may*
32 *choose to receive more closely approximates the cost of obtaining*
33 *health insurance on the private market. This will increase the*

1 *flexibility and adaptability of the employment benefits provided to*
2 *state employees and legislative employees and will save the state*
3 *money by reducing actual and administrative costs.*

4 *SEC. 2. Section 22840.5 is added to the Government Code, to*
5 *read:*

6 *22840.5. (a) Notwithstanding any other provision of law, and*
7 *upon appropriation of the necessary funds by the Legislature, if*
8 *the state provides an employee of the state or an employee of the*
9 *Legislature with the option to elect coverage in a health benefit*
10 *plan, the state shall also provide that employee with the option of*
11 *receiving a cash payment in lieu of that coverage, as provided in*
12 *subdivision (b).*

13 *(b) The amount of the cash payment to be provided to an*
14 *employee under subdivision (a) shall be calculated by multiplying*
15 *the average dollar value of the health benefit premium that the*
16 *employee could have received had he or she elected coverage in*
17 *a health benefit plan by 67 percent.*

18 *SEC. 3. The provisions of this act shall become operative July*
19 *1, 2010.*

20 ~~SECTION 1. Section 22830 of the Government Code is~~
21 ~~amended to read:~~

22 ~~22830. (a) An employee or annuitant, under eligibility rules~~
23 ~~as prescribed by board regulations, may enroll in any health benefit~~
24 ~~plan approved or maintained by the board either as an individual~~
25 ~~or for self and family.~~

26 ~~(b) Enrollment shall serve as authorization of the deduction of~~
27 ~~the contributions required under this part from the salary of an~~
28 ~~employee or allowance of an annuitant.~~